

DIVISION OF CONSUMER ADVOCACY
Department of Commerce and
Consumer Affairs
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Honolulu, Hawaii 96813
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FILED
2005 OCT 18 P 3:44
PUBLIC UTILITIES
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII


In the Matter of the Application of)
)
PUBLIC UTILITIES COMMISSION) DOCKET NO. 03-0372
)
Instituting a Proceeding to Investigate)
Competitive Bidding for New Generating)
Capacity in Hawaii.)

DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS
TO HAWAIIAN ELECTRIC COMPANY, INC.
ON THEIR FINAL STATEMENT OF POSITION

Pursuant to the Regulatory Schedule approved in Order No. 21575, the Division of Consumer Advocacy ("Consumer Advocate") files its **INFORMATION REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC. ON THEIR FINAL STATEMENT OF POSITION** in the above docketed matter. The Consumer Advocate does not have any information requests for the other parties who filed Statements of Position.

DATED: Honolulu, Hawaii, October 18, 2005.

Respectfully submitted,

By 
JOHN E. COLE
Executive Director

DIVISION OF CONSUMER ADVOCACY

DOCKET NO. 03-0372

**CONSUMER ADVOCATE'S
INFORMATION REQUESTS**

INSTRUCTIONS

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
 - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

DOCKET NO. 03-0372

CONSUMER ADVOCATE'S

SUBMISSION OF INFORMATION REQUESTS TO HECO

CA/HECO-IR-1 **Ref: HECO Companies Final SOP at 2.**

The HECO Companies state that the “objectives of competitive bidding should be established to assess whether [competitive bidding] will be beneficial.”

- a. Please identify, specifically and completely, the actual “objectives” (i.e., rather than a conceptual description) that the HECO Companies would recommend be established (i.e., if different from those discussed under 4.a, b. and c. at 2-3 of the Final SOP).
- b. Please state who should be responsible for “establishing” these “objectives,” and why.
- c. Please indicate when the objectives should be established. Explain.

CA/HECO-IR-2 **Ref: HECO Companies Final SOP at 11.**

The HECO Companies state that “the details of the competitive bidding process should be developed in a follow up proceeding, based on the principles enunciated by the Commission in this proceeding.”

- a. What “principles” do the HECO Companies believe that the Commission should “enunciate” in this proceeding? Explain.
- b. Please provide a specific and complete list of the principles identifying the HECO Companies’ actual preferred principles (i.e., rather than a conceptual description of such principles), and explain the rationale for each such principle.
- c. What “details” do the Companies believe that the Commission should establish through the proposed “follow up” proceeding? Please provide a specific and complete list identifying the HECO Companies’ actual preferred “details” (i.e., rather than a conceptual description of such details), and explain the rationale for each such detail.
- d. Please explain why the evolving nature of competitive bidding processes (Ref. HECO Companies Final SOP, Exh. I, at 29) would not threaten to undermine the “details” that the HECO Companies propose be established (i.e., in their response to Part (b) above).

CA/HECO-IR-3

Ref: HECO Companies Final SOP at 15, n.6.

- a. Please state and explain whether it is the HECO Companies’ position that demand-side resources should not have a chance to participate in the response to the near-term

capacity and energy needs identified by an electric utility company.

- b. Please state and explain the HECO Companies' view regarding whether demand-side resources can be procured effectively through RFP processes.
- c. In light of HECO's current "urgent need" for additional capacity resources, please state and explain whether the HECO Companies agree that competitive bidding processes could augment the processes by which demand-side resources currently are procured, pending possible future modifications to the approach (e.g., as may be implemented through the Commission's Decision and Order in Docket No. 05-0069).

CA/HECO-IR-4 **Ref: HECO Companies Final SOP, Exh. I, at 25.**

The HECO Companies state that "a Code of Conduct ... likely is needed prior to the issuance of the RFP." Please provide a copy of the Code of Conduct that the HECO Companies would recommend be adopted if the Commission implements competitive bidding.

CA/HECO-IR-5 **Ref: HECO Companies Final SOP, Exh. I, at 25.**

The HECO Companies state that "HECO has a number of concerns regarding the potential shortcomings of a competitive bidding

process that should be addressed in the design, development and implementation of a competitive bidding program. Without resolution of these issues HECO could not support the institution of competitive bidding”

- a. Do the HECO Companies propose that the electric utilities be responsible for the “design, development and implementation” of a competitive bidding program? Please explain the response relative to the HECO Companies discussion of the “major role” that the host utility “must play” in a competitive bidding process (Ref. HECO Companies Final SOP, Exh. I, at 18).
- b. Who do the HECO Companies believe should be responsible for “the resolution of these issues?” Please explain.
- c. Please identify, specifically and completely, the HECO Companies’ view regarding the appropriate resolution of each of “these issues.” That is, what particular approach would represent an appropriate resolution for each, and why?
- d. For each bulleted item at 32-34, please state whether it is the HECO Companies’ view that a host utility should have flexibility to implement an approach that is suitable to its

specific resource needs and circumstances. Please explain the HECO Companies' response in each instance.

- e. For each "stage" discussed at 35-38, please state whether it is the HECO Companies' view that a host utility should have flexibility to implement an approach that is suitable to its specific resource needs and circumstances. Please explain the HECO Companies' response in each instance.

CA/HECO-IR-6

Ref: HECO Companies Final SOP, Exh. I, at 32-38.

- a. Should the "major tasks and issues" that "must be addressed" be resolved: (1) as part of each RFP process, or (2) in advance of all RFP processes? Please explain.
- b. Please explain how each of the items listed in response to part (a) of this information request would be "addressed"? For example, would "guidelines" of some sort be established? Please explain.
- c. By whom would they be "addressed"? Please explain.

CA/HECO-IR-7

Ref. the HECO Companies Final SOP, Exh. I, at 45.

- a. Would the electric utility companies be under any obligation to adhere to any "guidelines," "details" or other competitive bidding rules prescribed by the Commission? Please explain the response relative to the HECO Companies'

statement that “it is preferable that the Commission should not be involved in approving the RFP prior to issuance.”

- b. At what stage of an RFP process would stakeholders have opportunity to submit a formal complaint to the Commission that its approved “guidelines,” “details” or other competitive bidding rules (e.g., as relate to a particular RFP design provision) have been violated in some egregious manner that might substantially affect the results of the RFP (i.e., assuming such violation actually has occurred, and the host utility has not remedied the problem). Please explain.
- c. At which stage of an RFP process would the Commission be able to intervene to require correction of a violation of its “guidelines,” “details” or rules, as relate to the design of an RFP (e.g., if such action is deemed necessary by the Commission to protect the public interest)? Please explain.

CA/HECO-IR-8

Ref: HECO Companies Final SOP, Exh. II, at 2.

The HECO Companies state that “HECO recommends guidelines over rules, in order to provide for flexibility and to adjust to different situations and circumstances.”

- a. Taking each sequentially, please state whether the HECO Companies agree or disagree with the guidelines

recommended by the Consumer Advocate in Appendix F1 to its Final SOP.

- b. Where the HECO Companies disagree with a particular guideline advanced by the Consumer Advocate, please state specifically how the guideline should be modified (i.e., provide alternate language for the guideline) and why.
- c. Please provide in summary form (i.e., in a manner generally consistent with the presentation in Appendix F1 of the Consumer Advocate's Final SOP) the set of guidelines that the HECO Companies would recommend be adopted by the Commission.
- d. If the Commission were to adopt the competitive bidding guidelines recommended by the HECO Companies in the response to part (c) above, what specific changes (i.e., provide a list) to the Commission's IRP Framework would be appropriate (Ref. the HECO Companies Final SOP, Exh. I, at 44). Please explain the rationale for each such change.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS TO HAWAIIAN ELECTRIC COMPANY ON THEIR FINAL STATEMENTS OF POSITION** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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DATED: Honolulu, Hawaii, October 18, 2005.

